

Voluntary Report - public distribution

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# Russian Federation

## Agricultural Situation

### Grain and Products Price Update

### 2004

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**Report Highlights:**

Grain prices have been decreasing since their peak in February, but bread and grain product prices continue to rise, fueled by the high costs of fuel, electricity, and rental payments.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Moscow [RS1]  
[RS]

## Grain Prices

Grain prices have been decreasing since peaking in February. This price decrease accelerated in April based on a good crop forecast, decreasing international prices, a slight decrease in freight rates, the desire of grain owners to get rid of stocks on the eve of the new crop (harvesting will start in mid-June in the southern parts of Russia), and the desire of grain traders to push farmgate prices down. The average regional offer prices for grains throughout the nation are shown in table 1 below.

Table 1 Average Regional Offer Prices for Grains

Economic Regions	January 16		February 20		March 19		April 16		May 7	
	Rubles	USD	Rubles	USD	Rubles	USD	Rubles	USD	Rubles	USD
<b>Milling Quality Wheat, 3rd class</b>										
Central	5567	192.8	6533	229.2	6550	229.8	6167	215.5	6017	207.8
Central Black Earth	5664	196.1	6319	221.7	6369	223.5	6060	211.7	5865	202.6
Volga Valley	5625	194.8	6350	222.8	6367	223.4	6094	212.9	5819	201.0
North Caucasus	5792	200.6	6300	221.1	6392	224.3	6000	209.6	5733	198.0
Ural	5070	175.6	6225	218.4	6306	221.3	6008	209.9	5850	202.1
West Siberia	5317	184.1	6385	224.0		0.0	6192	216.4	6067	209.5
<b>Milling/Feed Quality Wheat, 4th class</b>										
Central	4917	170.3	6183	216.9	6192	217.3	5933	207.3	5733	198.0
Central Black Earth	4622	160.0	5900	207.0	6080	213.3	5860	204.8	5650	195.1
Volga Valley	4700	162.7	5988	210.1	6038	211.9	5844	204.2	5538	191.3
North Caucasus	4550	157.5	6067	212.9	6033	211.7	5742	200.6	5367	185.4
Ural	4433	153.5	5763	202.2	5838	204.8	6008	209.9	5583	192.8
West Siberia	5200	180.1	6000	210.5	NA	NA	5975	208.8	5708	197.1
<b>Feed Quality Wheat</b>										
Central	5300	183.5	5517	193.6	5733	201.2	5600	195.7	5458	188.5
Central Black Earth	5130	177.6	5500	193.0	5750	201.8	5525	193.0	5440	187.9
Volga Valley	5167	178.9	5544	194.5	5756	202.0	5550	193.9	5288	182.6
North Caucasus	5000	173.1	5625	197.4	5825	204.4	5400	188.7	5100	176.1
Ural	5017	173.7	5357	188.0	5633	197.6	5333	186.3	5300	183.1
<b>Rye, Food Quality</b>										
Central	5133	177.7	5733	201.2	5733	201.2	5450	190.4	5300	183.1
Central Black Earth	4833	167.3	5667	198.8	5717	200.6	5450	190.4	5200	179.6
Volga Valley	4763	164.9	5400	189.5	5538	194.3	5269	184.1	4388	151.6
Ural	4267	147.7	5100	178.9	5217	183.1	5025	175.6	4775	164.9
West Siberia	4700	162.7	5150	180.7	NA	NA	5200	181.7	NA	NA
<b>Feed Barley</b>										
Central	3550	122.9	4325	151.8	4325	151.8	4042	141.2	3867	133.6
Central Black Earth	3657	126.6	4311	151.3	4293	150.6	3856	134.7	3700	127.8
Volga Valley	3533	122.3	5544	194.5	4550	159.6	4044	141.3	3850	133.0
North Caucasus	3967	137.4	4500	157.9	4550	159.6	4125	144.1	3850	133.0
Ural	3600	124.7	4167	146.2	4183	146.8	4075	142.4	3900	134.7
<b>Ruble/USD exchange</b>		28.9		28.5		28.5		28.6		29.0

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Source: "Unidell", "Agronews"

### Bread and Grain Products Prices

Despite falling grain prices, process for bread and grain products (except for groats) continued to rise in April and May, but at a slower pace. Data for these months is not available, but March data (Table 5) illustrates the slowing rate of increase. The price of wheat flour increased by 4.7 percent, the price of rye and wheat bread increased by 1.6 percent, and the price for white bread increased by less than 1 percent. A month ago (February 2004), prices climbed by 6.6 percent, 3.5 percent, and 3 percent respectively. Only rice and pasta prices grew faster. After the election, the political hullabaloo surrounding prices ceased and post-election price increases are the result of the high costs of fuel, electricity, rental payments, and other inputs supplies used by bakeries and mills. Sales interventions to flour mills also played a role in the slowdown in the bread price increase.

**Table 2. Russia's Average Flour, Bread, Cereals and Pasta Prices, Rubles per 1 kg**

	Wheat flour	Rye and wheat-rye bread	Bread and bakery products made of wheat flour	Rice	Millet (groats)	Pasta (vermicelli)
March 2000	7.56	6.65	8.08	14.79	6.50	14.88
March 2001	8.38	8.27	9.67	12.97	7.09	15.78
March 2002	8.40	8.79	10.27	14.03	7.21	17.03
March, 2003	7.99	9.38	10.84	15.88	11.61	17.19
April, 2003	8.04	9.52	10.99	15.86	12.60	17.27
May, 2003	8.22	9.77	11.30	15.81	13.61	17.39
June, 2003	8.84	10.26	11.92	15.81	14.54	17.60
July, 2003	9.35	10.47	12.21	15.83	15.85	17.89
August, 2003	9.57	10.59	12.36	15.84	17.18	18.10
September, 2003	9.82	10.93	12.80	15.89	18.14	18.27
October, 2003	10.65	11.58	13.53	15.96	18.14	18.47
November, 2003	11.11	11.86	13.84	16.12	17.42	19.18
December, 2003	11.40	12.07	14.05	16.30	16.76	19.43
January, 2004	11.79	12.76	14.79	16.55	16.23	19.83
February, 2004	12.57	13.21	15.23	16.99	15.61	20.44
March, 2004	13.16	13.42	15.37	17.70	15.26	20.86
Mar. 03 to Mar. 04, percent	64.71	43.07	41.79	11.46	31.44	21.35
Jan. 04 to Mar. 04, percent	11.62	5.17	3.92	6.95	-5.98	5.19
Feb. 04 to Mar. 04, percent	4.69	1.59	0.92	4.18	-2.24	2.05